

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's card games operations are in compliance with the Card Games MICS.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability.
- 3) "(#)" refers to the Minimum Internal Control Standards for Card Games, Version 5.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for card games been read prior to the completion of this checklist to obtain an understanding of the licensee's card games operation?				
<u>Card Games Rake-Off/Time Buy-Ins</u>				
2. Is the rake collected in accordance with the posted rules unless authorized by a supervisor? (6)				
<u>Drop and Count Standards</u>				
3. Do the procedures for the collection of card games drop boxes, the count of the contents thereof and the related key controls comply with the internal control standards applicable to the pit drop boxes? (7) Determine and indicate whether the card games drop, count and key control procedures are the same as those for table games. If differences exist, complete separate checklists to the extent necessary (or note any difference on the table games checklist). Otherwise, indicate references to the applicable table games checklists.				

Verified per representation.

Verified per observation/examination.

VERSION 4

EFFECTIVE: January 21, 2004

Page 1 of 8

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

Questions	Yes	No	N/A	Comments, W/P Reference
<u>Card Games Banks/Transfers</u>				
Testing of transfers between the main card room and the casino cage is required. Select one card room transfer document per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
4. Are transfers between table banks and the main card room bank (or casino cage, if a main card room bank is not used) authorized by a supervisor and evidenced by the use of lammer buttons? (2) Note: A lammer is not required if the exchange of chips, tokens, and/or currency takes place at the table. (2)				
5. When a card table bank is to be replenished with chips from the card room bank (or casino cage, if there is no main card room bank), are all cash or chips being transferred verified by the card room dealer and by the runner? (Regulation 23.040) (3)				
6. Are transfers between the main card room bank and the casino cage properly authorized and documented? (4) Verify by examination.				
7. Is the transfer documentation between the main card room bank and the casino cage retained for at least 24 hours? (5)				
<u>Reconciliation of Banks</u>				
Testing of the card room reconciliation is required. Select the card room reconciliations for one shift per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
8. Is the amount of the main card room bank counted, recorded, and reconciled on at least a per shift basis? (9)				
9. At least once per shift, are the table banks counted, recorded, and reconciled by a dealer (or other individual if the table is closed) and a supervisor, and attested to by their signatures on the check-out form? (10)				

Verified per representation.

Verified per observation/examination.

VERSION 4

EFFECTIVE: January 21, 2004

Page 2 of 8

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

Questions	Yes	No	N/A	Comments, W/P Reference
<u>Shills/Proposition Players</u>				
Testing of the shill issuance/return document is required. Select one shill issuance/return document per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
10. Does the issuance of shill funds have the written approval of the supervisor? (11)				
11. Are shill funds returns recorded and verified on the shill sign-out form? (12)				
12. Is the replenishment of shill funds documented? (13)				
<u>Supervision</u>				
13. Is supervision provided at all times the card room is in operation by supervisory-level personnel with authority equal to or greater than those being supervised? (1) Verify by observation.				
14. If a dealer is allowed to function as a supervisor, is it only allowed when he/she is not dealing the game and are the games videotaped? (Note for 1)				
<u>Access to Playing Cards</u>				
15. Are playing cards, both used and unused, maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering? (8) State the location.				
<u>Promotional Progressive Pots and Pools</u>				
Note: Promotional progressive pots and pools are defined as pots and pools which are contributed to by poker patrons and distributed back to poker patrons based upon the occurrence of a predetermined event.				
16. Is the dollar amount of funds contributed by players into the pools returned when won in accordance with the posted rules with no commission or administrative fee withheld? (14)				
17. Are payouts for promotional progressive pots, pools, and any other promotion prominently displayed or available for patron review at the licensed location? (15) Verify by examination.				

Verified per representation.

Verified per observation/examination.

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

Questions	Yes	No	N/A	Comments, W/P Reference
18. Are payouts for promotional progressive pots, pools, and any other promotion for an amount greater than or equal to \$100 documented? (16) Verify by examination.				
19. Does the documentation mentioned in the preceding question include the date and time, the dollar amount of payout or description of personal property (e.g., car), the reason for payout (e.g., promotion name), and the signature of two employees verifying, authorizing, and completing the promotional payout? (16) Verify by examination.				
Testing of promotional payouts is required. Select one promotional payout form per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
20. If the payout for the promotional progressive pot, pool, or other promotion is less than \$100, is documentation created to support the bank accountability from which the payout was made? (17)				
21. Are the rules governing promotional pools posted, and are they clearly legible from each table? (18)				
22. Do the above mentioned rules designate:				
a) The amount of funds to be contributed from each pot? (18a)				
b) What type of hand it takes to win the pool (e.g., what constitutes a "bad beat")? (18b)				
c) The percentages used to calculate the payout amounts? (18c)				
d) How/when the contributed funds are added to the jackpots? (18d)				
e) Amount/percentage of funds allocated to primary and secondary jackpots, if applicable? (18e)				
23. Are promotional pool contributions not placed in or near the rake circle, in the drop box, or commingled with gaming revenue from card games or any other gambling game? (19)				
24. Are the promotional funds removed from the card game placed in a locked container in plain view of the public? (20)				
25. Are persons authorized to transport the locked container precluded from having access to the contents keys? (21)				

Verified per representation.

Verified per observation/examination.

VERSION 4

EFFECTIVE: January 21, 2004

Page 4 of 8

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

Questions	Yes	No	N/A	Comments, W/P Reference
26. Is the locked container contents key maintained by a department independent of the card room? (22) State the department.				
27. At least once a day, is the locked container removed by two individuals, one of whom is independent of the card games department, and transported directly to the count room, casino cage or other secure room to be counted? (23) State the department(s)				
28. If the funds are maintained in the cage, are the contents counted, recorded, and verified prior to accepting the funds into cage accountability? (24)				
29. Is the dollar amount of any promotional progressive pot, pool and any other promotion conspicuously displayed in the card room? (25) Verify by examination.				
30. At least once a day, is the progressive sign or meter, if applicable, updated to reflect the current pool amount? (25)				
31. At least once a day, are increases to the progressive sign/meter reconciled to the cash previously counted or received by the cage? (26)				
<u>Contests/Tournaments</u>				
Testing two contests/tournaments is required. Contests/tournaments should be in non-consecutive months. Indicate contests/tournaments selected and results of testing.				
32. Are all contest/tournament entry fees and prize payouts (including mail transactions) summarized on an accountability document on a daily basis? (27)				
33. When contest/tournament entry fees and payouts are transacted, are they recorded on a document which contains:				
a) Patron's name? (28a)				
b) Date of entry/payout? (28b)				
c) Dollar amount of entry fee/payout (both alpha and numeric)? (28c)				
d) Signature or initials of the individual completing the transaction? (28d)				

Verified per representation.

Verified per observation/examination.

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

Questions	Yes	No	N/A	Comments, W/P Reference
e) Name of contest/tournament? (28e)				
34. Are the contest/tournament entry fees and payouts summarized and posted to the accounting records on at least a monthly basis? (29)				
35. Are contest/tournament rules included on all entry forms/brochures and prominently displayed or available for patron review at the licensed location? (30)				
36. Do the rules mentioned in the preceding question contain at least the following:				
a) All conditions that patrons must meet to qualify for entry into, and advancement through, the contest/tournament? (30a)				
b) Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool? (30b)				
c) The distribution of funds based on specific outcomes? (30c)				
37. Are the results, including the name of the event, date(s) of the event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category, of each contest/tournament recorded and available for patrons to review? (31)				
38. Is the name of each winner recorded and maintained, but not made available to the participants unless authorized by management personnel? (31)				
39. Are the aforementioned contest/tournament records maintained for each event? (32)				
<u>Accounting/Audit Standards</u>				
Review of documentation evidencing the performance of card games accounting/audit standards is required. Select the appropriate documentation to determine that all required procedures are being performed.				
40. Is the card games audit conducted by someone independent of the card games operation? (33)				

Verified per representation.
Verified per observation/examination.

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

Questions	Yes	No	N/A	Comments, W/P Reference
41. On a daily basis, do auditing/accounting personnel reconcile the amount indicated on the progressive sign/meter to the cash counted or received by the cage and the payouts made for each promotional progressive pot and pool? (34)				
42. Is the reconciliation mentioned in the previous question sufficiently documented (including substantiation of differences, adjustments, etc.)? (34)				
43. Do accounting accounting/audit personnel reconcile gross revenue from the master games summary to the monthly NGC tax return each month, document and maintain the reconciliation, and are any variances noted reviewed, documented and maintained? (35) For one month review the reconciliation to verify the proper completion of the reconciliation and to determine that the variance amount is accurate. Indicate the month/year reviewed and the results of the review.				
44. Monthly, do accounting/audit personnel review all payouts for the promotional progressive pots, pools, or other promotions to determine the proper accounting treatment and the proper win/loss computation? (36)				
45. Monthly, do accounting/audit personnel perform procedures (interviews, review of payout documentation, etc.) to ensure that the payouts for the promotional progressive pots, pools, or other promotions are conducted in accordance with the conditions provided to the patrons? (37)				
46. Daily, do accounting/audit personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document? (38)				
47. When payment is made to the winners of a contest/tournament, do accounting/audit personnel reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made? (39) Note: This reconciliation is to determine whether, based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules. (39)				

Verified per representation.

Verified per observation/examination.

VERSION 4

EFFECTIVE: January 21, 2004

Page 7 of 8

State of Nevada
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

CARD GAMES

Licensee _____ Review Period _____

Questions	Yes	No	N/A	Comments, W/P Reference
48. Is documentation (e.g., checklist, notation on reports, and tapes attached to original documents) maintained evidencing the performance of card games audit procedures, the exceptions noted and follow-up of all card games audit exceptions? (40) Verify by examination.				
<u>Written System of Internal Control</u>				
49. Has the licensee's written system of internal control for card games been re-read prior to responding to the following question?				
50. Does the written system of internal control for card games reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? [Regulation 6.090(13)]				

Verified per representation.
Verified per observation/examination.